

Financial Modelling

Industry specific
training course



Dates:

15-16 May 2023
22-23 May 2023
6 June 2023

Who should attend:

Finance professionals involved in budgeting and investment analysis or anyone who uses financial models for business decisions, financial planning, and analysis

About the programme

A financial model has become a critical tool used by organisations to understand business risks and make important strategic decisions.

However, we understand that generic training is not always sufficient to meet your team's educational needs. Through our customised training programmes participants will be able to build a well-structured and robust model and use it to solve important business problems.

This workshop is divided into three modules based on industry specifics:

- **Module I: Business valuation – DCF model (15-16 May 2023)**
- **Module II: Financial model for credit analysis and finance raising (22-23 May 2023)**
- **Module III: Real estate valuation (6 June 2023)**

The course will cover the basic financial modelling principles, best practices in financial modelling and excel functions frequently used in models in respective business sectors.

Participants will also learn how to use model auditing tools to check for model errors. Learning is achieved via practical examples and group discussions which reinforce the theory; case studies and Excel-based exercises which allows participants to have hands-on experience with financial models.



Outline of each Module:

1



Business valuation – DCF model (12 hours)

Fee: 650 AZN*

- Macroeconomic assumption input analysis;
- Financial and management reporting inputs analysis;
- Forecast of sales, cost of sales, selling and general expenses;
- Calculation of taxes: VAT, income tax, property tax, mandatory social contributions;
- Forecast calculation of fixed and intangible assets balances including capital expenditures and depreciation/amortization;
- Forecast of net working capital;
- Calculation of cost of equity, cost of debt, and WACC;
- Creation of discounted cash flow model for calculating enterprise value;
- Calculation of equity value, including net debt adjustments;
- Scenario and sensitivity analysis.

* VAT is not included

2



Financial model for credit analysis and finance raising (12 hours)

Fee: 650 AZN*

- Macroeconomic assumption analysis;
- Financial and management reporting inputs analysis;
- Forecast of sales, cost of sales, selling and general expenses;
- Calculation of taxes: VAT, income tax, property tax, social contributions;
- Forecast calculation of fixed and intangible assets balances including capital expenditures and depreciation/amortization;
- Forecast of net working capital;
- Forecast calculation of fixed and intangible assets balances including capital expenditures and depreciation/amortization;
- Calculation of loan amortization schedules for different types of loans such as senior, mezzanine, junior, etc;
- Calculation of covenants as debt-to-equity ratio, interest coverage ratio (ICR), debt service coverage ratio (DSCR), net debt to EBITDA, other most widely used metrics;
- Creation of 3 statements: statements of financial position, profit and loss, and cash flow;
- Project financial efficiency indicators such as NPV, IRR, payback period.

3



Real estate valuation (6 hours)

Fee: 600 AZN*

Under income approach:

- ✓ forecast calculation of revenue, cost of sales, operating expenses, property tax, NOI;
- ✓ calculation of capitalization and discount rates;
- ✓ Creation of discounted cash flow model for calculating the market value of the real estate

Under market approach:

- ✓ Methodology of searching and choosing comparable real estate objects based on proximity, class of buildings, types of property (e.g. residential, commercial, etc.)
- ✓ Adjustments calculation for bargain, condition, total area, period of sale, etc.

Under cost approach:

- ✓ Determination of the current cost of construction of the building and all of its improvements;
- ✓ Estimation of any accrued depreciation from the property's current physical depreciation, functional obsolescence, and economic obsolescence.

Team members' resumes:

Team Leaders



Erika Rasulova

Director, Deals, Azerbaijan
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Resume

Prior to joining PwC, Erika worked for RSM Azerbaijan LLC as an Audit Partner and led a substantial number of audit engagements. Erika also led a number of business valuation, strategy plan preparation, and business and fixed assets valuation-related projects in a wide range of industries. Erika started her career in 2004. She also worked at YapiKredi Bank Azerbaijan and Unibank CB.

Her selected experience includes:

- Market analysis and strategic initiatives assessment for the Logistic center in Azerbaijan;
- Value analysis of e-payment company;
- Business diagnostics and Value analysis of local market place
- Valuation of Fixed Assets and valuation of assets other than fixed assets of the banks in the process of liquidation;
- Financial Due Diligence of different local companies, including but not limited to electronic payment systems, IT companies, and yeast producer companies;
- Business valuation of local manufacturing, retail, and other companies;
- Review of financial models of Oil&Gas Upstream company
- Feasibility study of Brewery Plant in Azerbaijan;
- Feasibility study of Basalt mining plant in Azerbaijan.

Qualifications

Erika holds Bachelor degree in Azerbaijan State Pedagogical University. Currently, she is an ACCA candidate. Currently, she is studying MBA at Khazar University.



Mikhail Chubarov

Manager, Deals, Valuation, and financial modelling, Azerbaijan
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Resume

Mikhail Chubarov is a Manager in PwC Advisory Business (Consulting & Deals) in CEE with 7+ years of experience. His personal client work focuses on business valuation and financial modelling in Deals. Mikhail took part in financial modelling and valuation projects for Gazprom, Rosneft, Sberbank, VTB, RZD.

Selected list of projects Mikhail has been working on include:

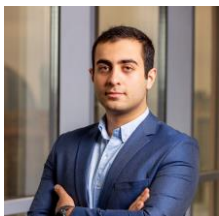
- Business valuation of the polymer plant in Azerbaijan, using income and market approaches
- Financial modelling of a telecommunication company in Azerbaijan
- Financial modelling project for large Russian oil & gas company;
- Financial modelling for top Russian bank, including financial model development for forest and paper, oil and sugar industries;
- Strategic financial modelling and valuation for top meat and grain producer;
- Value analysis of a Russian forest products company;
- Value analysis of a top Russian oil & gas company.
- Value analysis of a top Russian agricultural company;
- Value analysis of a transportation company.

Qualifications

Mikhail holds Economist Diploma from National Research University Higher School of Economics. Also, Mikhail holds Advanced financial modeler certificate (AFM), Chartered financial modeler (CFM), and passed CFA Level II exam.

Team members' resumes:

Business valuation and Financial Modelling



Emil Isayev

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Resume

Emil Isayev is a Senior Consultant in Deals practice at PwC Azerbaijan. Emil has over two years of experience in valuation and feasibility study services. Before PwC, Emil worked as a Lead Analyst in Corporate Credit Division at the International Bank of Azerbaijan.

Emil was involved in a number of valuation and feasibility engagements that include, but are not limited to, the following:

- Business valuation of meat and meat products production company in Azerbaijan;
- Business valuations of modern grocery retail chains in Azerbaijan;
- Business valuations of agricultural companies in Azerbaijan;
- Business valuations of cement manufacturer in Azerbaijan;
- Fixed assets valuation of the animal feed production company in Azerbaijan;
- Real estate valuation of the business centres in Kazakhstan;
- Feasibility study of beverage plant in Azerbaijan;
- Presentation support of charity project in Azerbaijan.

Qualifications

Emil completed MSc in Risk and Finance at London School of Economics, and he passed CFA Level II.



Shahbaba Mammadov, ACCA

Senior Consultant, Deals, Azerbaijan
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Resume

Shahbaba is a Senior Consultant in Deals practice of PwC Azerbaijan. He has more than four years' experience in PwC. Before joining PwC Deals team, he was a part of the Corporate Tax team of PwC Azerbaijan where was mainly engaged in benchmarking and transfer pricing projects.

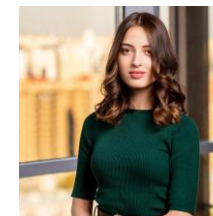
Shahbaba was involved in a number of financial modelling, business valuation and financial due diligence engagements that include, but are not limited to, the following:

- The deep-dive financial due diligence of two IT companies for M&A purposes;
- Value analysis of the polymer plant in Azerbaijan, using income and market approaches;
- Value analysis of several agricultural companies, using income approach;
- Value analysis of one of the largest retail stores in Azerbaijan, using income approach;
- Value analysis of telecommunication company, using income approach;
- Development of financial model and investment appraisal for the logistics company.
- Development of financial model for fixed network operators;
- Financial modelling for the development of offshore gas and condensate field.

Qualifications

Shahbaba holds Bachelor's degree in Finance from Azerbaijan State University of Economics. Additionally, he is an ACCA member.

Real Estate Valuation



Elnara Aliyeva

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Resume

Elnara Aliyeva is a Senior Consultant in Deals practice at PwC Azerbaijan. Elnara has over 3 years of experience in valuation and due diligence services.

Elnara was involved in a number of financial due diligence, valuation and consulting engagements that include, but are not limited to, the following:

- Value analysis of a headquarters building of a local bank;
- Value analysis of the land plot in Bilgah, Azerbaijan;
- Value analysis of building in Inner City of Baku, Azerbaijan;
- Value analysis of apartments in residential complexes in Azerbaijan;
- Value analysis of the land plot in Narimanov district of Baku;
- Value analysis of the fixed assets of the sandwich panel plant and polymeric products plant;
- Value analysis of the fixed assets of glass bottles producing plant;
- Development of an automated financial model for quick valuation development projects;
- Financial due diligence of IT company in Azerbaijan for M&A purposes.

Qualifications

Elnara graduated from Lomonosov Moscow State University with a degree in Economics.

About PwC Academy

PwC is the global leader in business consulting



PwC's Academy is the corporate training division of PwC. We operate across Central and Eastern Europe, as part of a growing network of PwC Academies present in over 20 countries worldwide.

What we do

We leverage the global expertise of PwC professionals in strategy consulting, finance and tax advisory, digital transformation, HR consulting and L&D advisory to design learning solutions grounded in realistic business scenarios

Interested?

Do you want to join our trainings
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